

in our Tax Code that says if you work hard enough, save enough, invest well enough, Uncle Sam is going to reach into your grave, reach into your pocket and take 55 percent of what you own. The American dream is to work hard enough, invest enough, and pass them on to your children and give them a little better start than you had.

The death tax is just the opposite. It is one of the most anti-American dream provisions in the Tax Code. The bill passed from the House would accelerate raising that exclusion to 41 million. It would be a small step in providing relief from the death tax.

There are those who say we can't cut taxes this year; we have to give it all to Social Security. It is interesting to me that those who argue that have yet to come forward with a save Social Security plan. They have yet to come forward with a Social Security reform plan, but they have advocated billions of dollars in new spending.

Mr. President, I wish I had much longer to elaborate on this, but I quote the President when on May 26 of this year, he said:

We can use these good times to honor those who've put in a lifetime of work and prepare for the future retirement of the baby boomers by saving the Social Security system for generations to come. Or we can give in to the temptation in this election year to squander our surpluses the moment they start coming in.

Do you get the picture? If you take the surplus and spend it on new spending programs, that is good, but if you return it to the American people in the form of tax relief, that is squandering. The very President who made that statement has advocated billions of dollars in additional spending—\$5.8 billion already spent—and a request in supplemental funds for \$14.148 billion, including almost \$2 billion for Bosnia. That is coming out of this sacrosanct untouchable surplus.

The Taxpayer Relief Act just says let's return \$7 billion of that surplus in the first year, 1999, to the American people. I believe that is what we should do. Instead of enacting \$150 billion in new spending programs, we should return one penny on the dollar, which is what the Taxpayer Relief Act does, out of what they are paying into the Government back to them in the form of tax relief.

The debate hasn't changed: higher taxes and more Government; lower taxes and less Government. We were given that mandate by the American people, and we should enjoin that debate by passing the Taxpayer Relief Act this year, sending it to the President and letting him decide whether or not he will give the American people the relief they so much deserve.

I thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER (Mr. KYL). The Chair, in his capacity as a Senator from the State of Arizona, suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MACK. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MACK. Mr. President, I thank the Chair.

(The remarks of Mr. MACK pertaining to the submission of S. Res. 286 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. MACK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 4101

Mr. MACK. Mr. President, I ask unanimous consent that at 2 p.m. today the Senate proceed to the consideration of the conference report to accompany H.R. 4101, the Agriculture Appropriations bill, with the reading of the conference report being waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MACK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAMM. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HUTCHISON). Without objection, it is so ordered.

WHITE HOUSE PROPOSALS TO SPEND THE SURPLUS

Mr. GRAMM. Madam President, I have come over today to respond to the Office of Management and Budget and to the White House in relation to comments they made about our weekly radio address, which we made in response to the President's radio address and which I had the privilege to make on behalf of the Republican majority in the Senate.

What I thought I would do is simply take a little bit of time and review what I said in the radio address because it is relevant, obviously, to the response by OMB and the White House. I would like then to respond to the comments they made. And I will try to do it as quickly as possible.

Madam President, in the Saturday radio address I tried to make several simple points, the first point being that we all can remember vividly, when the President gave his State of the

Union Address, in probably the most dramatic statement made by any political figure in 1998, the President proclaimed: "Save Social Security first." He then set out a prescription for Congress, and the prescription basically boiled down to: "Don't increase spending; don't cut taxes; take every penny of the surplus and save it for Social Security."

The President kept delivering exactly the same message over and over and over again through February, into June; and then all of a sudden, during the summer and into the fall, the President's message started to change. And the President's message started to change because he started leaving out the part of the policy prescription that had to do with not spending the surplus.

What the President is now saying is that Republicans are wrong in trying to cut taxes, eliminating the marriage penalty, providing some tax relief to farmers and small business and to senior citizens—that Republicans are wrong in doing that in the House because it takes \$6.6 billion away from the surplus. And then the President last week said if you take a little of the surplus here and a little of it there on tax cuts, then you don't have the money to put Social Security first.

The problem is that at the very moment that the President is saying to the Republicans in the House not to use \$6.6 billion to fund a tax cut, the President is proposing to Congress, in the strongest possible terms, that we spend up to three times that amount—roughly \$20 billion this year—on a series of programs, most of which have nothing whatsoever to do with emergency spending by any definition that we have ever used for emergency spending.

So the point I made, in very simple terms, was the President is not living up to his word. He is not putting Social Security first. The President is pretty clear about not wanting Republicans in the House to cut taxes and to use \$6.6 billion of the surplus for that purpose. But the President is now actually threatening to veto bills and to shut down the Government unless we spend up to \$20 billion of additional money this year, every penny of which would come out of the same surplus that the President is saying to the Republicans in the House, "Don't dare touch that surplus, don't take \$6.6 billion to cut taxes."

The White House decided, over the weekend, that they wanted to respond to what I had to say. And I want to respond to a lady, Linda Ricci, who is the spokeswoman for the Office of Management and Budget. She made two statements that I want to respond to.

Let me read you from the Reuters wire service story:

Linda Ricci, spokeswoman for the administration's Office of Management and Budget, noted the actual additional spending request is roughly \$14 billion, and said such emergency packages have become a normal part of the budget process.

She further says:

There is nothing extraordinary about emergency spending and there's nothing extraordinary about the amount of emergency spending we are requesting in this year's budget.

Madam President, I take great exception to these statements because they are not true. I mean, other than the fact that they are not true, I do not have much objection to them. But one of the standards that we normally set in debate is a standard that we cannot have much of a meaningful dialogue if we are not sticking with the facts. One of the things that is often said in these kinds of debates is that you have a right to your own opinion, you just do not have a right to your own facts.

Let me remind the Senate, and anybody who is listening, of the following facts: No. 1, we have already passed a \$6 billion emergency spending bill earlier this year. If you add up all the requests the President has made for additional emergency spending, it is \$14 billion. And when you add the two, that is a \$20 billion emergency spending increase that was requested in calendar year 1998.

The OMB says, "There's nothing extraordinary about the amount of emergency spending we are requesting in this year's budget."

Let me tell you what is extraordinary about it. Everything—everything—is extraordinary about it.

First of all, the level of emergency spending is far beyond any level of emergency spending ever proposed by any President under the budget agreement that was reached in 1990 that started this current loophole of emergency spending.

I remind my colleagues, and anybody who is interested, that the first year that this ability to designate something as "emergency" and exempted from the budget—the first year it was in effect, in 1991, President Bush signed into law \$9 billion worth of emergency spending. President Clinton this year has asked for \$20 billion of emergency spending. In fact, if you take the 3 years that President Bush was in office while we have had this emergency spending designation, in those 3 years President Bush averaged \$4.6 billion of emergency spending, virtually all of it for things like hurricanes, floods, natural disasters, or what we normally refer to as acts of God.

In the years, since President Clinton came into office, if this year's request is granted, President Clinton will have requested \$9.9 billion worth of emergency spending a year. And, as I said, this year's total is roughly twice what the President has requested, on average. And that is what Bill Clinton has requested since he has been President. So to say there is nothing extraordinary about the request I think is simply not true.

But there are two other things that are extraordinary. First of all, we have never had emergency requests for money to be spent in years where we

have not even appropriated the money yet. And, finally, what we have in the President's proposal is a designation of emergency spending for ongoing programs of the Federal Government. I could talk a long time about this, but let me give you three examples.

The President tells us that he needs \$3.25 billion because he has discovered since he submitted his budget in January that the year 2000 is coming. Apparently he was unaware of this in January when he submitted his budget, because he did not ask for the money to be used for year 2000 computer problems of the Government in January, but since then it is an emergency because he did not ask for it in January.

I went back and looked, Madam President, at when we first started to keep time in Anno Domini, "in the Year of Our Lord." And the first time we did was when the Julian calendar was amended so that the measurement of time started at the birth of Christ. And that was in the year 525. The point is, we have known for 1,470 years that the year 2000 was coming. Everyone in the world knew it was coming. In fact, we hardly hear a political speech that does not talk about the 21st century or the President rarely opens his mouth that he doesn't talk about the new millennium.

Many people have actually planned where they are going to be on New Year's eve of next year. The only people on the planet who were surprised that the year 2000 is actually coming, are people in the Clinton administration. The reason they are surprised is they knew the year 2000 was coming, they knew we had these computer problems, but they didn't include this in their budget in January so they could try to hide the fact that they are busting their own budget, so that they could hide the fact that they are taking money away from Social Security to spend, at the same time that they are criticizing the House of Representatives for trying to have a modest tax cut.

Now, a second example of non-emergency spending is Bosnia. I know the Presiding Officer is aware that we have troops in Bosnia because I have heard her demand that the administration establish a policy on numerous occasions. Her feelings and leadership on this are well-known. But we have an emergency in the President's mind because we don't have funding in his budget for Bosnia.

I remind my colleagues the President sent troops to Bosnia 3 years ago. Then he extended the mission for our troops to Bosnia 2 years ago, and he extended it again last year. Finally, he said they would be there indefinitely. You might ask yourself a question: Given that we have had troops in Bosnia for 3 years, given that no one on the planet is surprised that there are troops in Bosnia, why does the President now ask for funding for troops in Bosnia as an emergency?

Now, this lady, Linda Ricci, with the Office of Management and Budget says

that there is nothing extraordinary about the President's emergency requests. I find it extraordinary, when we are in our fourth year of troops in Bosnia and the President has an emergency because he has discovered that we have troops in Bosnia, that we have no money in his budget to pay for troops in Bosnia. I find that extraordinary.

The next item is my last. The Constitution, in article I, mandates that there be a census; that every 10 years we go out and count the number of people in the country and that we allocate representation in the House of Representatives based on the census. It has been in the Constitution for over 200 years. We have never had the change of a decade occur that we have not done a census. We have known from the first day that the Constitution was ratified in 1779 that we were going to do a census in the year 2000. Yet now we are considering declaring an emergency because we are going to have to do a census in the year 2000. Now, why is there an emergency? There is an emergency because the Administration did not include enough money in their budget to provide the funding for the buildup to the census year. In fact, they and Congress have systematically underfunded the census.

Now, the Office of Management and Budget may not find it extraordinary that we have \$20 billion worth of requested emergency spending by the President. But I find it extraordinary. They may not find it extraordinary that the President is asking for twice as much emergency spending this year as he has on average since he has been President, and on average since President Clinton has been in office. He has asked for twice as much as President Bush. In fact, his request in calendar year 1998 is over 20 times as big as President Bush's request for emergency spending in 1991, the first year that we had this emergency designation. I find it extraordinary. OMB may not, but the fact that they don't, it seems to me, simply shows that either they don't know what the history of the use of emergency spending is or they don't want to know.

Now, the second response I wanted to give is a response to the brand-new White House spokesman, Joe Lockhart, in his first day on the job, White House spokesman Joe Lockhart rejected my comments saying that the emergency requests only total \$14 billion and that it would not come out of the surplus. As I have already said, in calendar year 1998 the President has requested a total of \$20 billion. The fact that he already has gotten \$6 billion does not change the fact we are talking about \$20 billion worth of new unbudgeted spending.

I suggest that Joe Lockhart, in one day at the White House, has either shown that he is getting bad habits at the White House very quickly or he knows absolutely nothing about the budget. The only way these "emergency spending programs"—like fixing

the computers of the government, the census, funds for Bosnia—can be funded is taking every penny of it directly out of the surplus.

When Mr. Lockhart, in his first day at the White House says that none of this money will come out of the surplus, it is obvious that Mr. Lockhart either doesn't know how the budget works, or he has gotten a very bad habit in only one day at the White House.

I suggest that Mr. Lockhart set the record straight.

Now, what is relevant here is the following: There were a few people—and I am one of them, so I am sensitive about it—who took the President at his word back in January. That word was "save Social Security first." I would like to vote for a tax cut but I have said, given that we have problems in Social Security, given that we need next year to restructure Social Security and build the financial base of it, I have been willing to forego a tax cut so that we could set aside the whole \$70 billion of the surplus to put Social Security first. I feel in this area that I have been trying to do what the President requested. Now I find that the President is not doing what the President requested, that while I have been trying to say no to spending and while I have been trying to say no to tax cuts, the President is saying no to tax cuts, but he is trying to force-feed Congress the largest increase in emergency spending in history.

Mr. BAUCUS. Will the Senator yield?

Mr. GRAMM. Let me finish this thought and I would be happy to yield.

Mr. BAUCUS. What is the pending order?

The PRESIDING OFFICER. The Senator from Montana, by unanimous consent, does control the time between 1 o'clock and 2 o'clock.

Mr. BAUCUS. I am happy to yield 3 minutes to the Senator from Texas.

Mr. GRAMM. That is more than generous and I can complete what I have to say.

Madam President, I have tried to live up to the President's challenge in that State of the Union Address by putting Social Security first, by delaying until next year a tax cut so that we could rebuild the financial base of Social Security and have the money to do it with.

However, I have to say I am very distressed in that while I am trying to carry out the President's policy on a bipartisan basis and not supporting something that I am very much for—a tax cut—the President now is trying to say to Congress I am going to veto your spending bills and shut down the Government unless you spend \$20 billion more than you have written into your budget and \$20 billion of additional spending that the President didn't even ask for in his budget back in February.

Now we have people at the White House and at OMB who are saying there is nothing extraordinary about what the President is doing and that

the amount of money he is spending is not coming out of the surplus. My point is, everything about what the President is doing is extraordinary. It is twice as much as the President, on average, has requested in the past.

It is 20 times as much as the last President requested for emergencies in 1991; it is for programs that have nothing to do with conventional emergencies: Funding for Bosnia, when we have been there 3 years. Why doesn't the President put it in his budget? Funding for the census, which we have done every 10 years since 1789. Why doesn't the President put it in his budget? Funding for the computer problem for the year 2000, when we have known since 525, when the world went to measuring time from the birth of Christ, that we were going to have a year 2000.

Clearly, every penny that the President spends, or forces the Congress to spend, is coming right out of the surplus and right out of Social Security. So I don't believe the President is living up to his word. I don't think he is putting Social Security first, and I don't think it is right.

I thank our dear friend from Montana for allowing me to finish my statement.

I yield the floor.

THE GLOBAL CRISIS, BIPARTISANSHIP AND THE IMF

Mr. BAUCUS. Madam President, in my 20 years in the Senate, I have scarcely experienced a more politically trying time than this. As the nation decides how to cope with an unprecedented political crisis, Congress must not only consider impeachment proceedings but pass spending measures to keep our government running.

More important, a number of serious foreign policy crises demand our attention. From Kosovo to Iraq and Tanzania to Latin America, the need for American leadership has never been greater.

To the extent that we can deal with these issues in a reasoned, bipartisan fashion, the world and the United States stand to gain.

AMERICA'S ROLE

Mr. President, we Americans have a unique role. More than at any time since the early years of the cold war, the world looks to us as a guarantor of peace in regions from Kosovo to Central Africa to Cambodia and the Persian Gulf; as a leader in the quest for prosperity, as we look toward more fair and open trade and an effective approach to the financial crisis; as the pace-setter in science and technology; and as an example of effective democratic government and respect for human rights.

This is a demanding role. We may not have sought it. Some of us may not entirely welcome it. But it is a role that in this post-cold-war world nobody else can fulfill.

Japan is in the midst of a deep financial crisis; Russia and China still in the

process of economic reform; Europe concentrated on deepening and expanding the EU. Only the United States can lead.

As the world's largest economy and most trusted trading partner, the United States is unique. I find this sentiment continually reinforced as I travel to Asia, Europe and South America. My counterparts there tell me that there is no one with whom they would rather do business than Americans.

Our openness, respect for the rule of law and willingness to innovate mark the United States as the global leader. It's why we won the cold war, and it's why we are viewed as a relative safe haven in these times of global financial instability.

Mr. President, we are also the world's foremost cultural power. America is the birthplace of the Internet and more than 80 percent of World Wide Web material is in English; our movies dominate over 70 percent of the European market, more than half that of Japan; and there are increasingly few countries where one cannot order a Big Mac in English, pay for it in U.S. dollars and wash it down with a Coke or Pepsi.

Mr. President, I may sound biased, but I think it appropriate that if there is to be a world superpower, the United States should be it. We are not an imperialist country; we respect human rights; we have open markets; and we are the foremost example of this experiment called democracy.

It has been said that our Founding Fathers envisioned a governmental system that is fragmented and dispersed of power. Our Founding Fathers succeeded. Neither the President nor the Congress nor the Judiciary has an inordinate ability to effect change, and that sets us apart from parliamentary systems of government.

But this is the system we have, and while we must accept its limitations, we must also praise its virtues for making us the wealthiest and most powerful nation in the history of the world.

We must also work especially hard to facilitate more contact between Congress and the Executive, and between the parties that make up our unique political system.

And we must accept that despite the current political crisis, Bill Clinton is still our President. Whatever the outcome of impeachment proceedings, crises the world over will not wait.

Americans have a duty—bipartisan, bicameral, and bi-institutional—to lead.

Like or not, this is a role we must fulfill—for the sale of our own people, because if we do not lead, Americans will pay the price in a more turbulent, dangerous world.

So while we may at times have differences, as individuals or as Democrats and Republicans, we must also at times put these differences aside and remember our larger responsibilities.

ASIAN FINANCIAL CRISIS

We see this very clearly in the Asian financial crisis. In the past eighteen